

Investor Relations

Earnings Presentation: 2025 Financial Results



Feb. 2026

I. 2025 Financials

II. Appendix

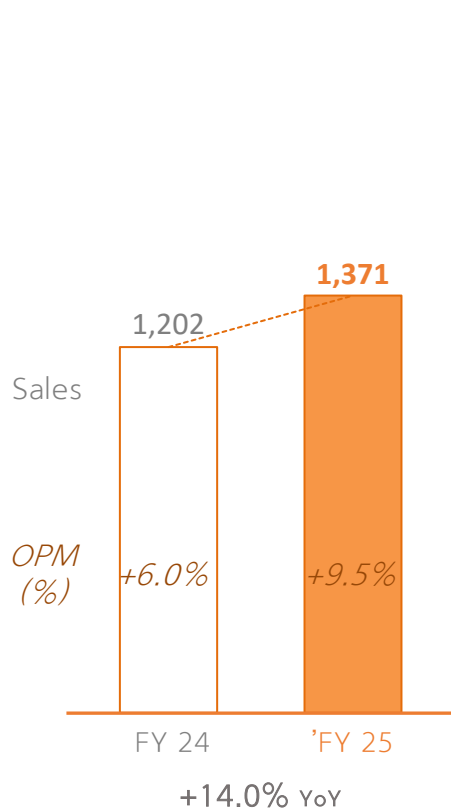
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(KRW billion, %)

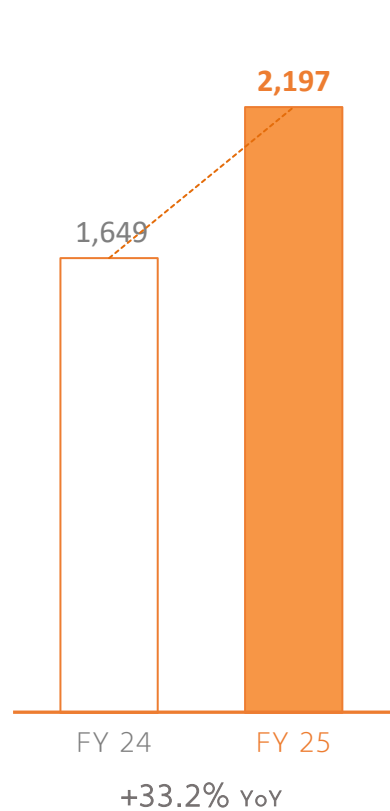
Sales

Increased sales and enhanced operating margin based on delivery of high profit engine



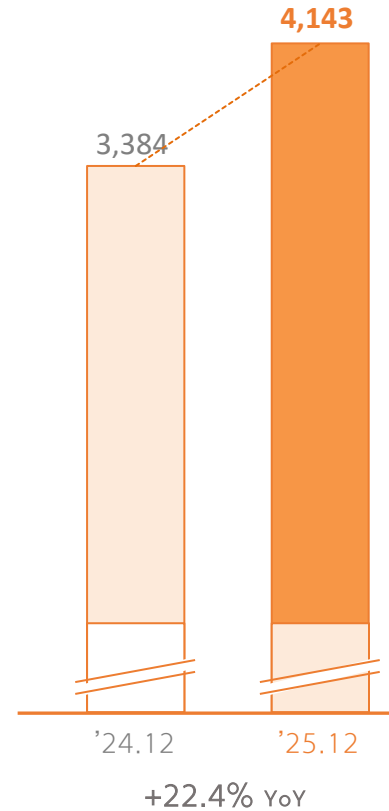
New Orders

Increased by +33% YoY
(Among marine engine orders, C/C accounts for 76%)



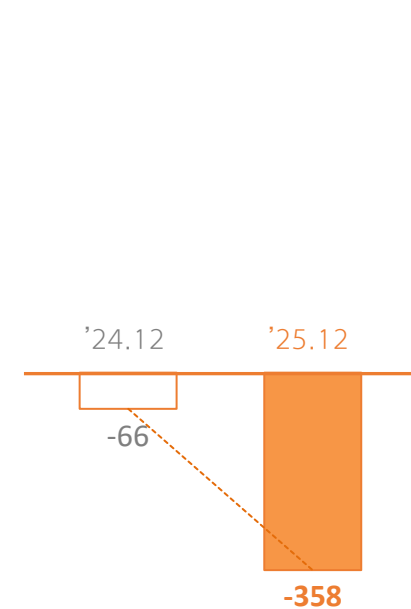
Backlog

C/C orders from China drives order backlog
(DF engines accounts for 86%)



Net Debt

Gross Debt : KRW 53 B
Cash and short-term financial instruments : KRW 411 B



- ✓ Sales : KRW 1,371B
- ✓ Operating Profit: KRW 130 B with 9.5% OP margin

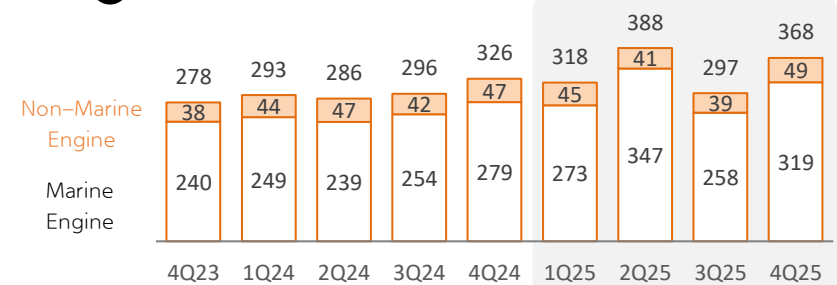
(KRW billion, %)

(KRW Billion)

	FY 25	FY 24	YoY
Sales	1,371 ¹	1,202	+169
COGS(%)	(86.5%)	(90.3%)	(Δ3.8%p)
Gross Profit	185	116	
SG&A	55	45	
Operating Profit	130 ²	72	+58
OP margin(%)	(9.5%)	(6.0%)	(+3.5%p)
Interest Income & Expense	7	Δ4	
Gain/Loss on F/X	Δ4	11	
Other Gain & Loss	Δ12	Δ1	
Pretax Profit	121	77	+44
Tax	53	2	
Net Profit	174	79	+95

Key Features

1 Sales + KRW 169 B YoY



• Marine Engine

: ASP increase from deliveries of '23~'24 orders and methanol engines

• Non-Marine Engine

: 8% YoY revenue growth in the AM

: SCR temporarily down from Tier III tech diversification

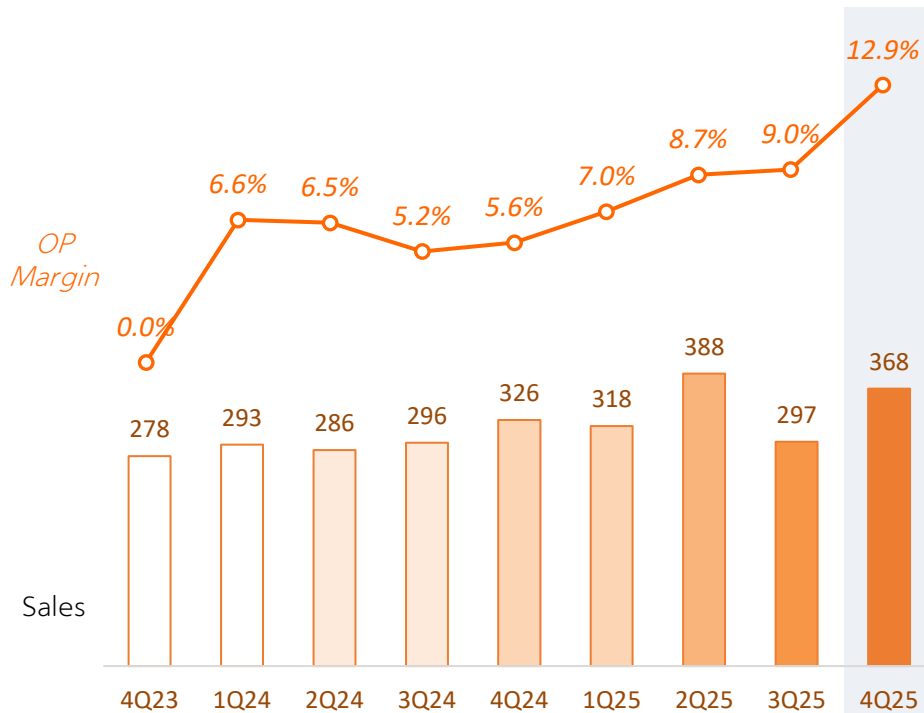
2 Operating profit + 82 % YoY

- COGS/Sales ratio improved ('24 90.3% → '25 86.5%)

- ✓ 4Q 2025 Sales KRW 368 B
- ✓ Enhanced Contract margin in 2024 get down to be realized.

Quarterly Sales & OP Margin

(KRW Billion)



Sales Breakdown

(KRW Billion)

Marine Engine
(+17% YoY)

Non-Marine Engine
(Δ3% YoY)

- Revenue growth driven by increased domestic deliveries of LNGC and C/C engines

	FY 24	FY 25	+/-
H/O	389	502	113
SHI	296	474	178
CHINA	327	218	Δ109
Others	10	3	Δ7
Total	1,022	1,197	175

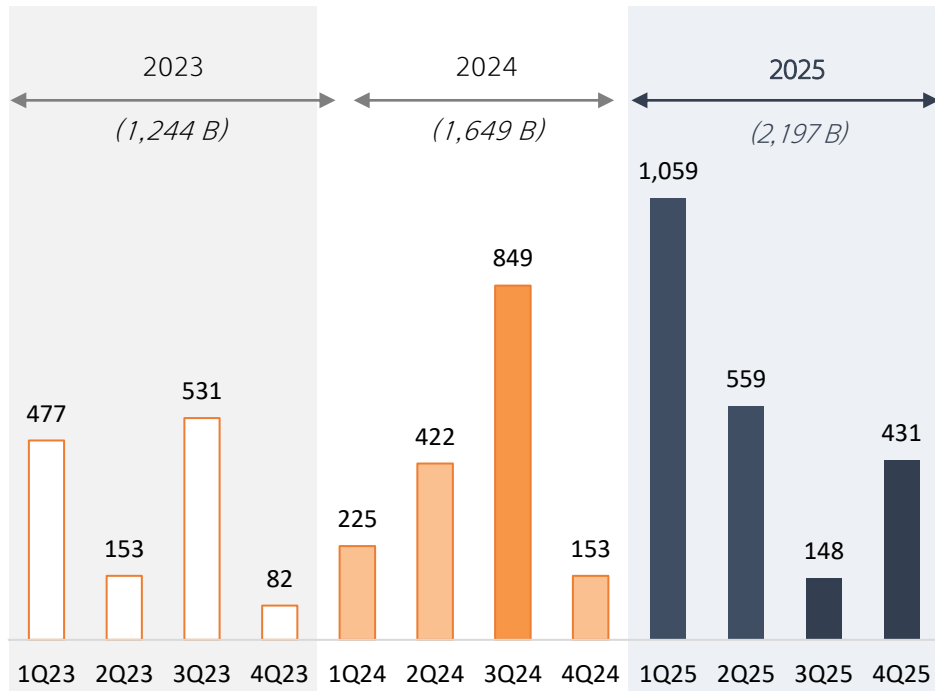
- SCR revenue momentarily reduced due to adoption of other Tier III solutions
- Firm grounding for sustainable AM growth

	FY 24	FY 25	+/-
AM	145	157	12
SCR etc	35	18	Δ17
Total	180	175	Δ5

- ✓ DF engines* account for 86% of new contracts in 2025
- ✓ Container ships made up 76% of 2025 new marine engine orders

Quarterly New Orders

(KRW Billion)



Proportion of DF engine Orders

(KRW Billion)

구분	FY21	FY22	FY23	FY24	FY25
Diesel engine	394	266	54	279	301
DF engine (%)	474 (55%)	1,341 (83%)	985 (95%)	1,315 (82%)	1,794 (86%)
Marine engine	868	1,607	1,039	1,594	2,095

Proportion of DF engines by ship type

(%)

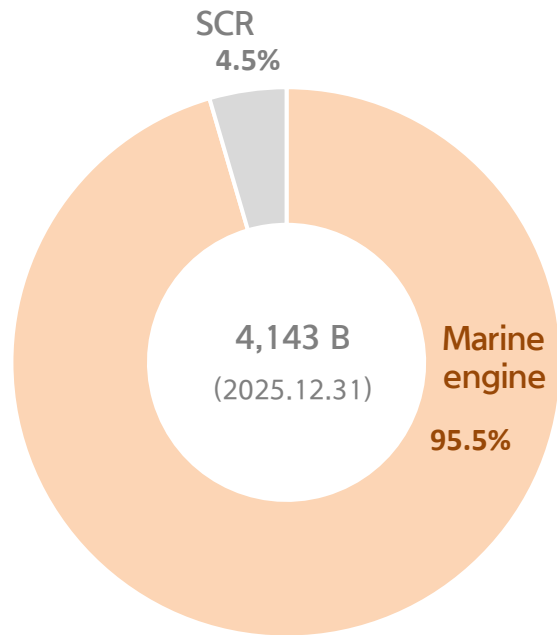
구분	FY21	FY22	FY23	FY24	FY25
Bulk	100%	36%	3%	-	-
Container	0.1%	69%	99%	100%	93%
LNGC	100%	100%	100%	100%	100%
Tanker	75%	3%	69%	8%	-
Total	55%	83%	95%	82%	89%

*) DF engine: Dual-Fuel Engine

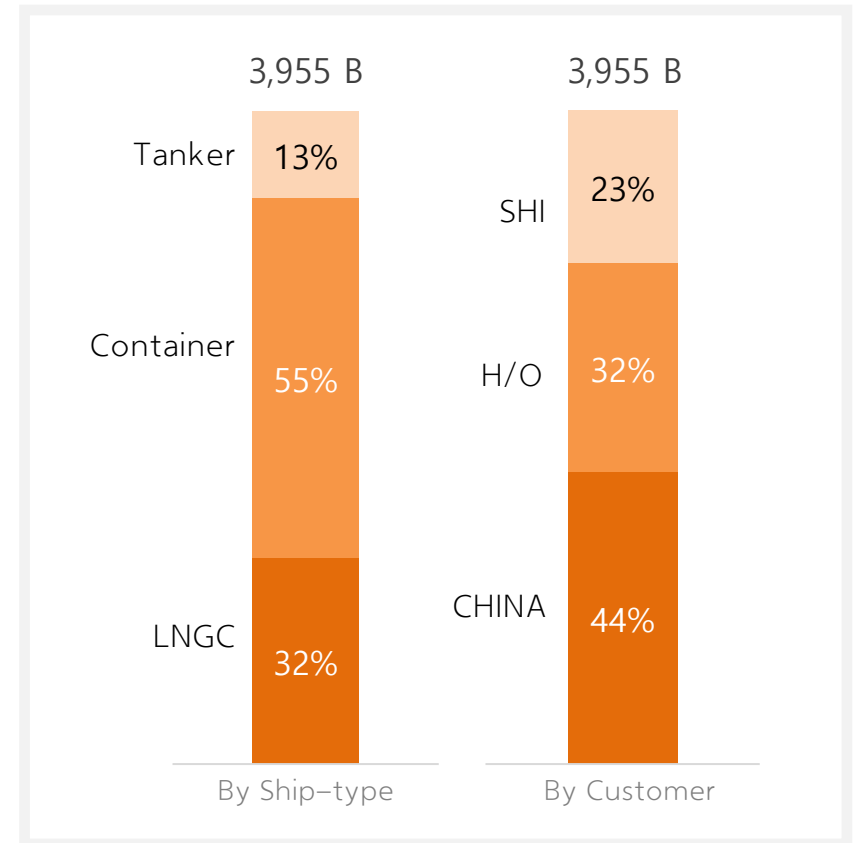
- ✓ Backlog continues to equate to approximately 3 years of deliveries
- ✓ DF engines account for 86% of marine engine

Backlog Breakdown

(KRW Billion, %)



Marine engine Backlog



✓ Net Debt : Δ KRW 358 B , Debt ratio 205%

(KRW Billion)

	'24.12	'25.12	+/-
Current Assets	785	1,032	247
Non-current Assets	628	664	36
Total Assets	1,413	1,696	283
Current Liabilities	587	612	26
<i>Advance Receipts</i>	<i>212</i>	<i>222</i>	<i>10</i>
Non-current Liabilities	433	528	95
<i>Long-term Advance Receipts</i>	<i>253</i>	<i>398</i>	<i>144</i>
Total Liabilities	1,020	1,140	120
Paid-in Capital	83	83	-
Capital Surplus	350	353	3
Retained Earnings	Δ 71	90	161
AOCI	31	30	Δ 1
Total Equities	393	556	163

Net Debt	Δ 66	Δ 358	Δ 292
Debt ratio	260%	205%	Δ 55%p

Interest-bearing Debt

(KRW Billion)

	'24.12	'25.12
Bank loan	30	10
Corp. Bonds	44	43
Gross Debt	74	53
Cash and Short-term financial instruments	140	411
Net Debt	Δ66	Δ358

*The 2024 balance sheet is based on separate financial statements, whereas the 2025 balance sheet is based on consolidated financial statements.

*HEIN (Hanwha Engine Investment Norway AS) is included in the consolidated financial statements. SEAM Topco AS is not consolidated, as the acquisition has not yet been completed.

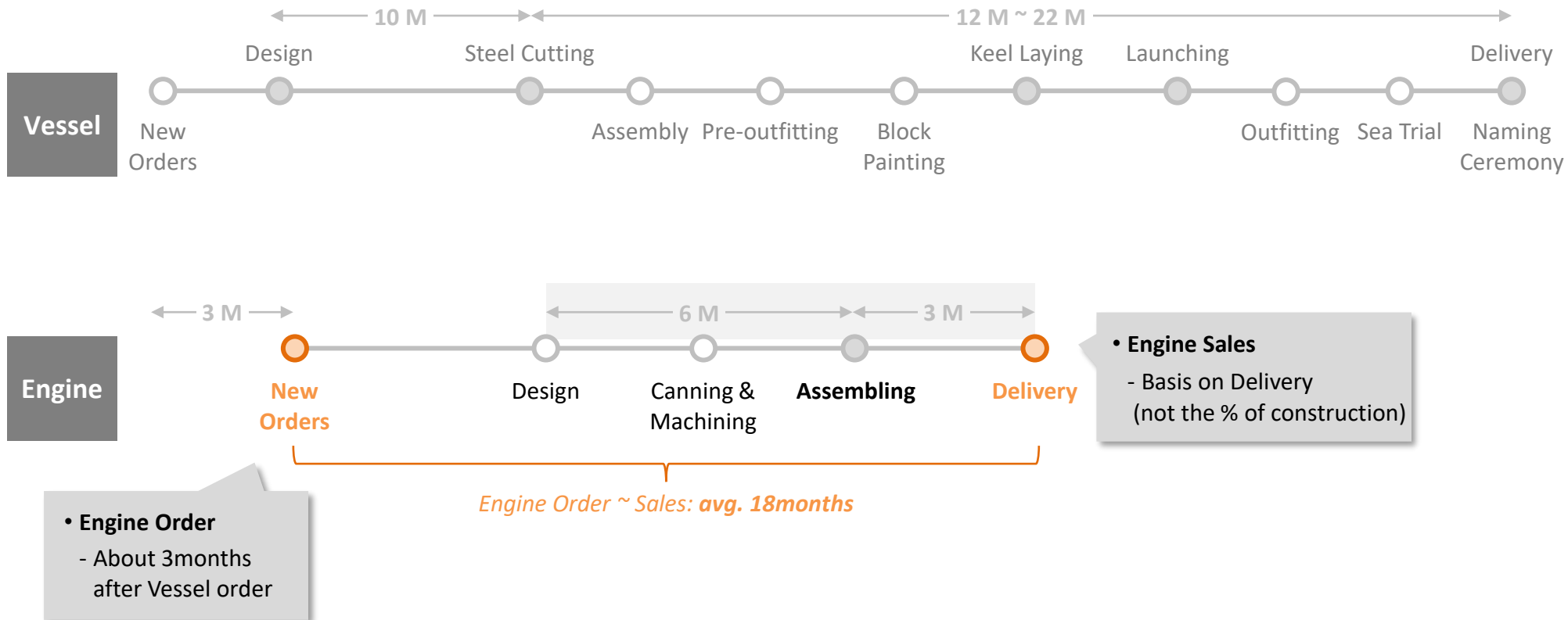
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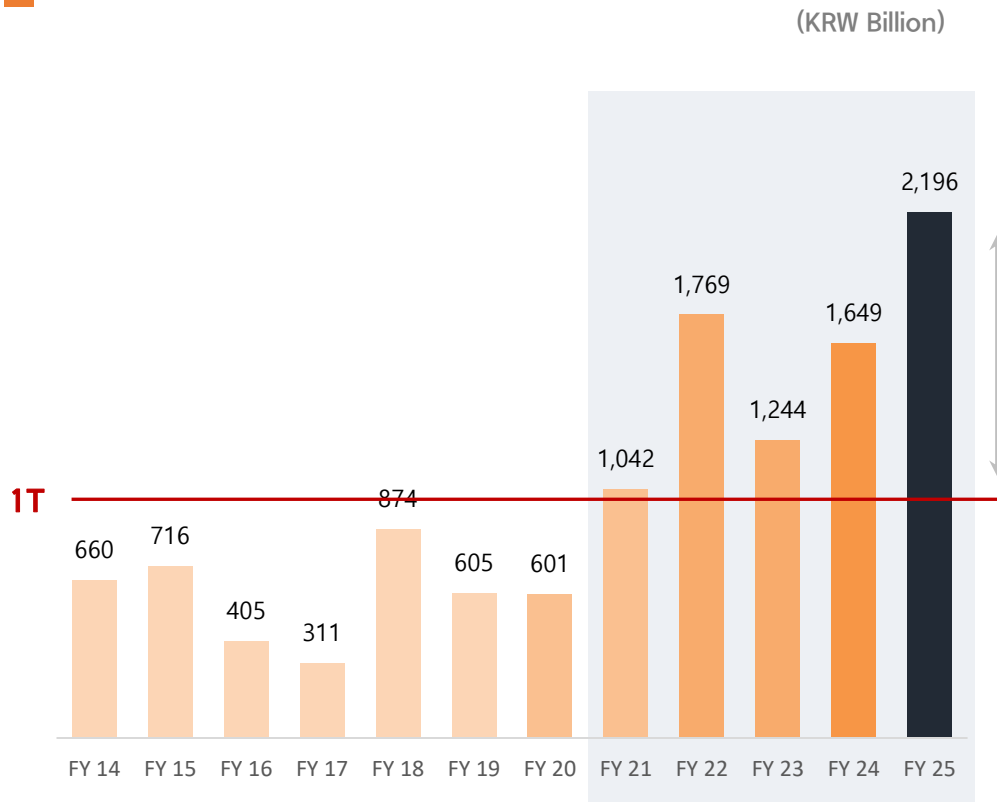
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Shipbuilding & Engine manufacturing Process

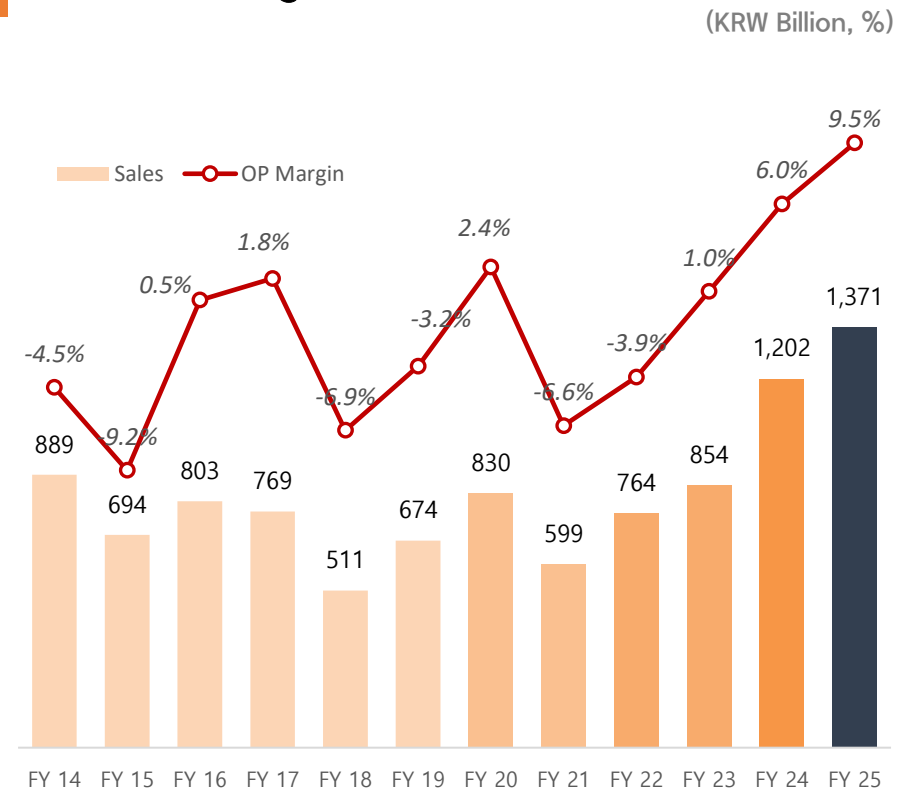


- ✓ Over KRW 1T in annual orders since 2021; shifted to normalized margins from 2022.
- ✓ Marine Engine Business Achieves KRW 2 Trillion in Orders.

New Orders



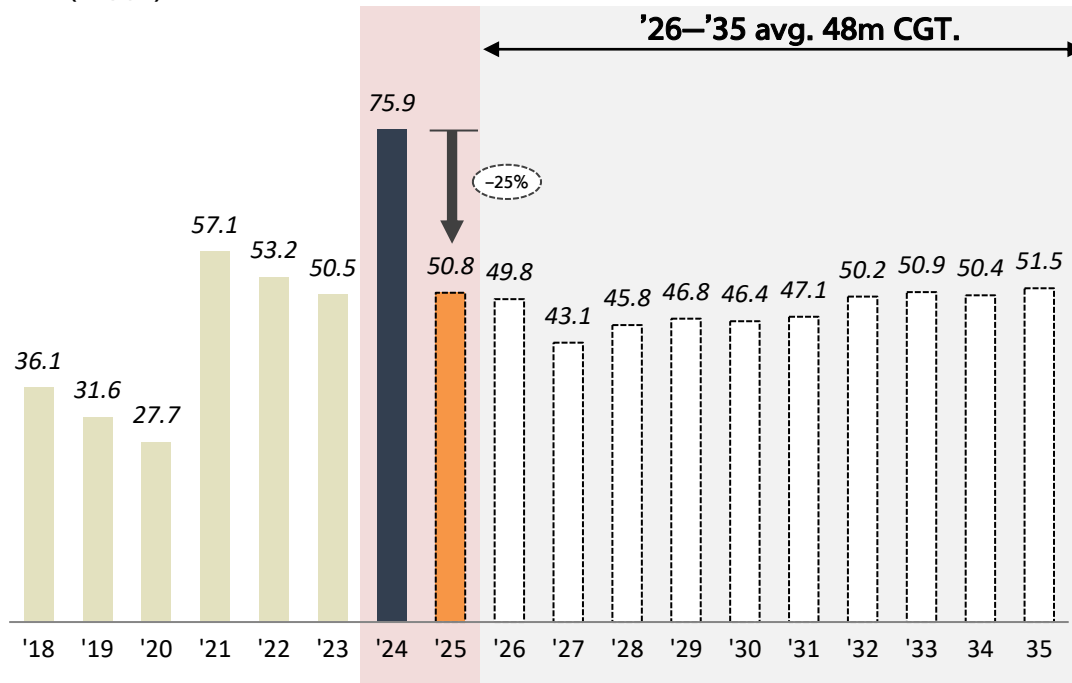
Sales & OP margin



- ✓ 2025 new contracts declined by 25% YoY ('24 75.9m.CGT → '25 50.8m.CGT)
- ✓ Mid- to long-term average ('26 ~ '33) expected at 48m CGT.

Global New Orders Outlook

(mCGT)



※ Source : Clarkson Forecast Report (Sep. 2025)

2025 MEPC Meeting Summaries

MEPC 83rd Session

(2025.04.07~11)

• Key Features

- World's first maritime carbon pricing scheme to take effect in H1 2027
- Vessels over 5,000 GT must meet GFI¹⁾ standards (Non-compliance: \$100-\$380/tCO₂e to IMO)
- Base: 4% by 2028, 16% by 2030, 30% by 2035
- Direct²⁾ : 17% by 2028, 21% by 2030, 43% by 2035
 - Tier 1: GFI between Base and Direct
 - Tier 2: Excess emitters
- Surplus Units credited, if compliant with GFI standards; however, Remedial Units (RU) must be purchased if non-compliant with standards.

MEPC 2nd E/S

(2025.10.14~17)

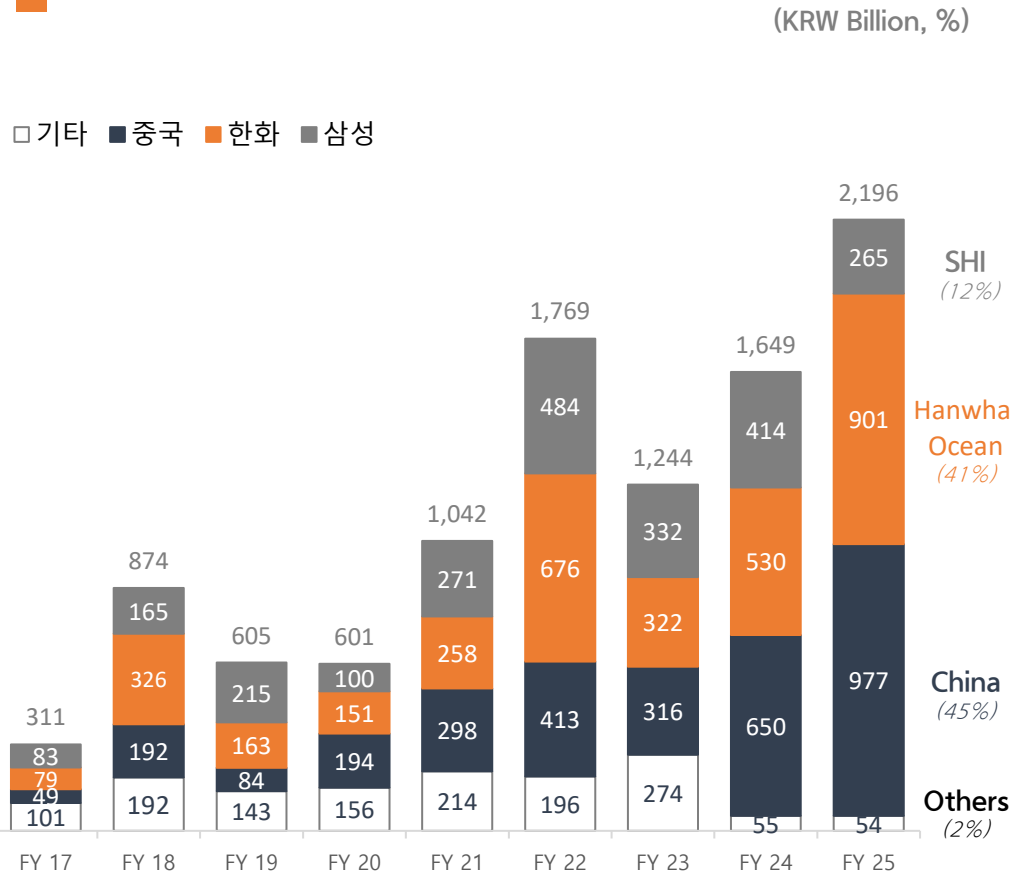
• Key Features

- Adoption of IMO NZF³⁾ deferred by one year
- Uncertainty increases as the EU moves to strengthen its carbon regulations⁴⁾.

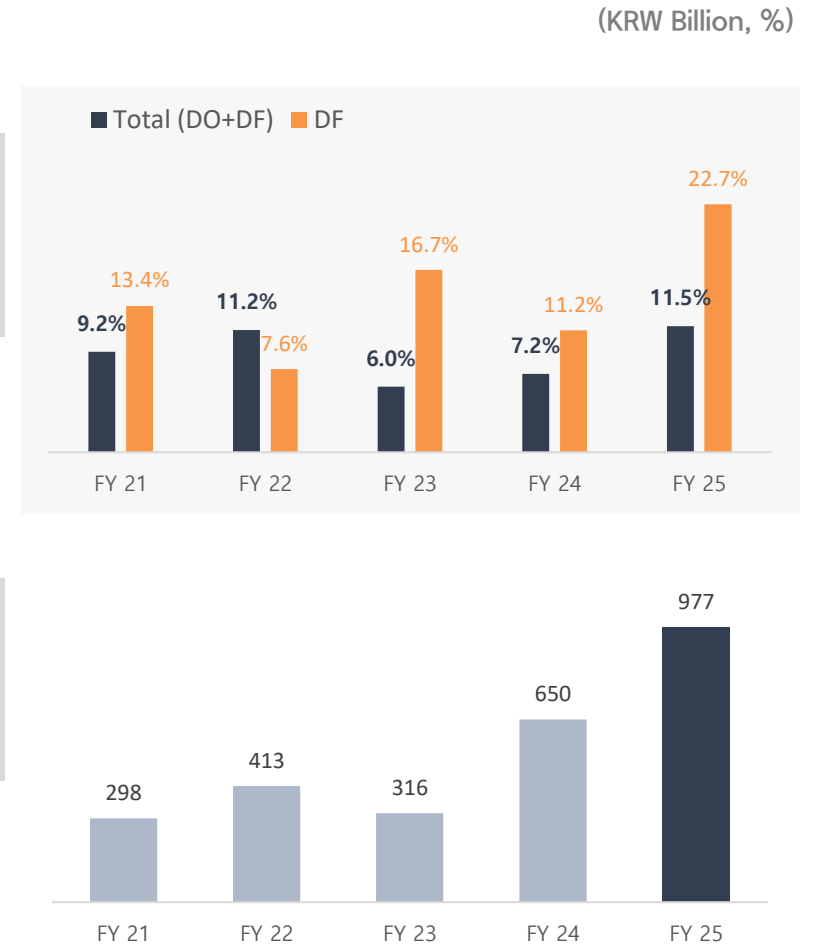
1) GFI: GHG Fuel Intensity 2) Direct Compliance target
 3) Net Zero Framework 4) ETS, Fuel EU

✓ balanced revenue sources : Samsung Heavy Industries, Hanwha Ocean, and Chinese shipyards.

Order Breakdown by customer



Chinese market



Overview

Company	Hanwha Engine Co., Ltd.
Date of Foundation	Dec. 30, 1999
Address	Sinchon-dong 69-3, Seongsan-gu, Changwon-si, Gyeongnam
Business	Marine engines / MRO/ Diesel engines for power plants
Exports	Local/direct Exports (93%), Domestic (7%)
Capital	₩83.4bn [2025.12.]
No. of Employees	857 [2025.12.]

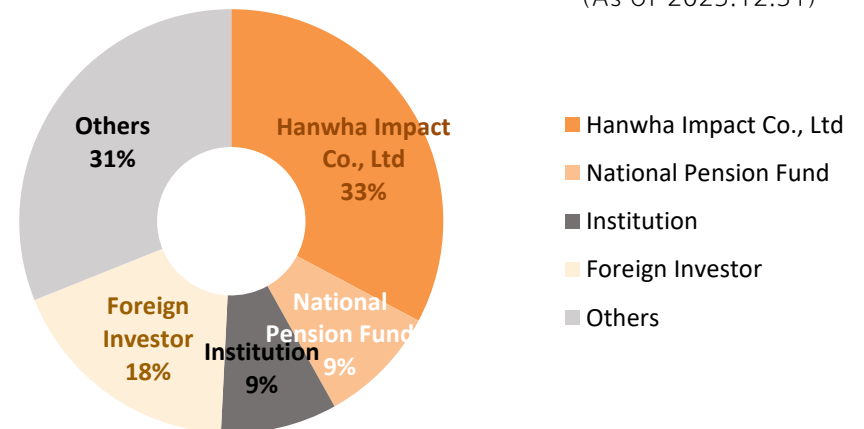
Business Areas

(KRW Billion, %)

Business Areas	2025 Revenue	Weight
Marine Engine	1,196	87.3%
AM	157	11.4%
SCR	16	1.2%
Powerplant	2	0.1%
Total	1,371	100%

Shareholders

(As of 2025.12.31)





Changwon Plant (Headquarter)



Hanwha Engine Two stroke & Four stroke Engine

Main Business (87% of total sales in 2025)

product Large vessel (e.g. LNGC, Container, Tanker, Bulker)

Licensor Everllence(f.k.a. MAN-ES), Win-GD

Customer Ship Builder (e.g. SHI, H/O, Yangzijiang, NTS)



Hanwha Engine AM Business *(After Market Business)*

Major Products

CYLINDER COVER



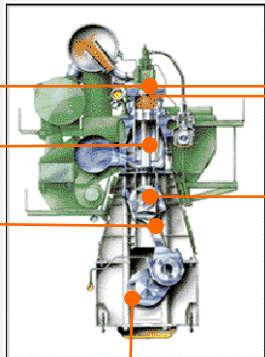
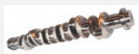
PISTON ROD



CONNECTING ROD



CRANK SHAFT



SPINDLE GUIDE



PISTON CROWN



CROSS HEAD PIN



Service Marine engines parts and technical service

Customer Major fleet owners, domestic agencies

Business overview

- Providing and Servicing maintenance parts for marine engine for entire lifecycle of vessel

Scope of Supply

Parts Supply

- > M/E, G/E, SCR
- > Correct Specification
- > Competitive Price
- > Just-In-Time Delivery

Tech. Service

- > Planning of Maintenance
- > Periodic Inspection
- > Recondition Service
- > Maintenance Service by well proven S/E

Environment Solution

- > Engine Part Load Optimization
- > NOx Monitoring Solution
- > EEXI Calculation

Digital Solution

- > Remote Monitoring
- > Performance Analysis
- > DIY or On-line Trouble Shooting
- > Tekomar XPERT, WMS

SEAM

Norway EPS SI M/S **40%**



- Electric propulsion



- Hydrogen fuel cell

NH

- Ammonia



- Charging and power



SEAM has delivered sustainable solution to 111 vessels across difference ship types.

*a leading international provider of **Low and Zero emission** to the maritime industry*

Key Business

- > Turnkey System
- > Service and Aftermarket
- > Digital Solution

Key Customers

- > Ferry and Cruise
- > Offshore
- > Merchant
- > Coastal Workboats

Environment Solution

- > Turn Key Hybrid / Electric Systems
- > Proprietary Automation Platform
- > Electrotechnical Services, Spare Parts, Training
- > Data Collection and Analytics